

MINUTE

AB - PUBLIC

Special Harbour Board
Council Chamber, Town Hall, Lerwick
Wednesday 20 November 2013 at 9am

Present:

A Manson	M Burgess
A Cooper	B Fox
R Henderson	M Stout
A Westlake	

Apologies:

F Robertson

In Attendance:

M Sandison, Director - Infrastructure Services
B Davidson, Interim General Manager
C Reeves, Harbour Master
J Gray, Executive Manager - Finance
H Tait, Team Leader - Accountancy
P Wishart, Solicitor
L Gair, Committee Officer

Also Present:

V Wishart

Chair

Ms A Manson, Chair, presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None

40/13 **Management Accounts for Harbour Board**
2013/14 – Projected Outturn at Quarter 2

The Board considered a report by the Executive Manager – Finance (F-059-F) which enabled the monitoring of the financial performance of services to ensure that expenditure incurred and income generated would be delivered within the approved budget.

The Executive Manager – Finance introduced the report.

During discussions, a Member questioned the figure in Appendix 2 set against the Tugs for Sellaness which stated a £503k (50%) projected outturn underspend. Members recalled that the repairs to the tugs by adding fins had been estimated in the tens of thousands. The Chair requested that a breakdown of these costs be provided to the meeting of the Harbour Board next week.

In response to a request for an update on the timetable set for getting the tugs into service, the Harbourmaster advised that the fins are in place and the directional stability

has now been resolved. He said that in a previous report to the Board, Officers highlighted a few issues that were still to be addressed, for example the alignment of the speed buttons. He said that until these outstanding items had been carried out the tugs would not be put into full service, but he hoped that the work would be complete by the end of this calendar year.

The Board unanimously approved the recommendations contained in the report.

Decision:

The Board **RESOLVED** to:

- Review the Management Accounts that showed the projected outturn position at Quarter 1; and
- Instructed the Director of Infrastructure Services to ensure that the approved budget is achieved by the end of the year.

41/13 **2014-15 Budget and Charging Proposals**
Harbour Board

The Board considered a report by the Executive Manager – Finance (F-050-F), which set out budget proposals for services within the Board's remit, in turn contributing towards ensuring the Harbour Board meets the overall target as set out in the Medium Term Financial Plan.

The Executive Manager – Finance introduced the report.

In response to questions the Executive Manager- Finance confirmed that the deficit figure of £477k against other piers, is in respect of all small piers and marinas, was in relation to facilities used for pleasure rather than business. He said that there were a lot of maintenance costs with no income and always ran at a loss but it was facilities that are provided to the folk across Shetland. In response to concerns about the level of these free facilities, the Executive Manager – Finance agreed to present a breakdown of the income and expenditure of these small ports and marinas, to a future meeting in order that the Board can take a view on a possible way forward. In referring to the small port officers who go out around Shetland on a monthly basis, it was noted that they are able to establish which vessels are using the piers at that time, but it would enhance our knowledge to have contracted staff who feed us information.

A Member referred to the steel works etc required on small ports and said that a decision was needed on whether any work is done or not as this could have serious financial implications. In response to a question on whether ferry terminals are part of all scheduled marine works, the Director of Infrastructure Services advised that it is just the structure that is part of Ports and Harbours remit and the moving parts are the responsibility of the Ferries Service.

The Harbourmaster responded to a query regarding the likelihood of anyone getting a pilotage exemption licence in the Sullom Voe area. He advised that there was an exemption from the Secretary of State that stops anyone else applying for a licence. This exemption included all types of traffic. He said however that anyone could apply for a pilotage exemption licence in the Scalloway harbour area.

In referring to the Capital Programme, the Chair said that it was important to upgrade the Scalloway Fish Market to bring it to the highest standard. The Interim General

Manager advised that the Business Plan being prepared by Ironside Farrar will include the fish market and would report on what size and style of building would be needed or if it was possible to upgrade what we have. He said that it is expected that fish will continue to be landed in the long term but consideration would be given to the type of facility required.

The Board unanimously approved the recommendations contained in the report.

Decision:

The Board **RECOMMENDED** that the Executive Committee and Council resolve to approve the budget proposals and charges for 2014-15 included within the report and set out in detail in the Ports and Harbours Operations' Budget Activity Sheet attached at Appendix 1 and the Table of Dues for 2014-15 attached as Appendix 2 to the report.

The meeting concluded at 9.20a.m.

Chair